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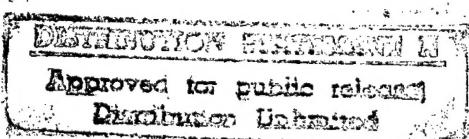
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CANTON 1959 ECONOMIC PLAN

-COMMUNIST CHINA-

By Liang Hsiang



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DEVELOP THE MOVEMENT FOR INCREASED
PRODUCTION AND ECONOMY AND STRIVE
FOR THE FULFILLMENT OF CANTON'S
1959 ECONOMIC PLAN

[This is a translation of a synopsized report by Liang Hsiang, Deputy Mayor of Canton and concurrently Director of the Canton Planning Committee, at the Third People's Congress of Canton, appearing in Wuang-chou Jih-pao, 13 July 1959.]

Delegates:

On behalf of the Municipal People's Committee, I submit Canton's 1959 Economic Plan (Draft) for your examination and discussion.

I

The year 1958 was a year of great leap forward for China's socialist construction. Like their fellow countrymen in other provinces, the people of Canton, under the leadership of the Communist Party, thoroughly implemented the Party's general line of "gathering full strength, striving upstream and building socialism with more, faster, better and economical results" and the Party's policy of "walking with two legs."

With steel-making as their leading task, they made an full-scale leap forward and victoriously accomplished Canton's 1958 economic plan. During that year, the pace of Canton's economic development and its scale of construction far exceeded any year in the past.

A profound change occurred, not only in the economy of the whole municipality but also in the spirit of the people. This enabled Canton to take a big stride in the course

of building itself into an industrial base in South China, and lay a good foundation for a continued full-scale leap forward in 1959.

Canton's industrial output in 1958 increased at unprecedented speed. The total value of the municipality's industrial output in that year reached 2.04 billion yuan, an increase of 66 percent or 810 million yuan, over that of 1957. This increase was 7.34 times the value of Canton's industrial output in 1950, or slightly more than the total increase registered during the whole entire period of the First Five-Year Plan.

In other words, the production increase in 1958 alone was equivalent to that achieved in the five previous years.

Steel output was increased from 1957's 2,567 tons to more than 68,000 tons, including steel made by indigenous methods. Iron output was increased from nothing to 20,000 tons. The machine building industry also leaped forward. The output of lathes, electric motors, transformers and steam turbines in 1958 not only exceeded 1957 levels, but also came close to or surpassed total output for the full period of the First Five-Year Plan.

Meanwhile, we manufactured complete units of machinery for metal smelting, steel roofing, cement-making, refractory material making, mining and sugar refining. This machinery has been used, not only to equip industrial plants in the municipality, but also to support industrial construction throughout the province. Output of light industrial products needed in daily life has also been increased. For instance, sewing machines increased 58 percent; machine-made paper increased 34 percent; flash lights increased 140 percent; cotton cloth increased 14 percent; soap increased 26 percent; and sugar increased 32 percent.

Another important indication of the flying leap forward of Canton's industrial output is the improvement of technical standards. In 1958 we successfully trial manufactured many products which we were hitherto unable to make. In metallurgy, we succeeded in making coke, silicon steel, manganese steel, etc. In the field of electro-mechanical and precision equipment, we succeeded

in making 250-millimeter steel rolling mills, three-ton steam hammers, automobiles, tractors, 7500 kilowatt-ampere transformers, 1,500-kilowatt turbine generators, etc.

In chemical engineering, we succeeded in making acetylene, active dyestuff, chloride ethylene, rayon (from bagasse), artificial cotton, etc. All these new products have a great effect upon the development of an economy. While productivity was noticeably increased, the cost of production of similar products was lowered by 9.79 percent.

Bumper crops were harvested in 1958 as a result of communization in the countryside. The total value of crops and agricultural by-products of the 12 communes within the pale of Canton municipality was 22.29 percent over that of 1957. Rice output was increased by 23.5 percent; vegetables by 38.5 percent; and sugarcane by 29 percent. These increase effectively met the needs of urban residents and industry.

Large scale capital construction projects were unfolded in 1958 with emphasis on steel making and machine building. Total investment amounted to 300 million yuan, representing an increase of 73.46 percent over that of 1957. This represents approximately 53 percent of the total investment made during the entire First Five-Year Plan. Budget appropriation for capital construction investment totaled 202,980,000 yuan, an increase of 63.36 percent over the total investment during the entire First Five-Year Plan.

New and expanded projects numbered more than 100, of which 60 have been either completely or partially put into operation. The new projects which have been completely put into operation include the Overseas Chinese Sugar Refinery, which can produce 43,200 tons of white granulated sugar a year; the Canton Can Factory which can produce 20,000 tons of cans a year; the Canton Agricultural Chemical Works, which can produce 1,214 tons of insecticides a year; and the Canton Glass Works, which can produce 8,000 tons of glass a year.

Plants partially put into operation include the Canton Steel Works, the Canton Heavy Machinery Works, the Canton Chemical Works, Cotton Spinning Mill No 2, etc. Besides, there are many industrial plants whose productivity and technical standards have been greatly improved after expansion and readjustment equipment.

The total fixed assets of Canton's industrial plants increased by 140 million yuan, representing 84 percent of all the increases of fixed assets during the entire period of the First Five-Year Plan. This increase constituted a material and technical foundation for the great leap forward in 1958 and for future years.

Considerable development was also registered in communication and transportation services which have effectively supported the great leap forward of productive construction. Transportation units under the Municipal Government purchased 143 new trucks, 239 trailers and 54 buses in 1958. Engineering projects included the Fang-ts'un Railway branch (already completed), the Pearl River Bridge (just started), the Huang-pu deep-water wharf and the Huang-sha wharf.

The volume of freight handled by Canton Harbor in 1958 increased 34.25 percent; land freight transportation volume increased by 50 percent; the volume of motor vehicle passenger transportation increased 4.5 percent; the number of automatic telephone exchange switchboards increased by 4,268; the number of post offices increased by 20; and the number of postal agents increased by 108.

Public utilities also underwent great development as production leaped forward. Newly built and rebuilt roads in the city, totaling 12.79 kilometers, facilitated communications in industrial districts and linked rural with urban areas. Newly built and rebuilt sewers totaled 178.2 kilometers.

The sewers of Hsi-kuan were thoroughly improved resulting in better environmental sanitation for hundreds of thousands of residents in the Hsi-kuan area. Newly built residential houses totaled more than 270,000 square meters in floor space. Newly installed water supply pipes totaled 75 kilometers. In respect to verdancy and park work, projects on three artificial lakes--Liu-hua Lake,

Tung Lake and Li-wan Lake--and 12 water reservoirs were started. A total of 5.1 million trees were planted in the year.

In keeping with the leap forward of agricultural and industrial production and the increase of the people's purchasing power, the market became more active and commodity turnover faster. Total 1958 retail sales in the municipality showed an increase of seven percent over 1957. State-operated business enterprises, by vigorously supplying raw material to industry and consumer goods to the people, effectively supported the development of production and met the needs of the people in their daily lives. Commodities brought in by State-operated business enterprises in 1958 showed an increase of 44.8 percent over the previous year. Total sales were 37.7 percent more than in 1957.

The great leap forward also resulted in a rapid increase in municipal revenue. Total revenue for the municipality in 1958 was 314,630,000 yuan and the total expenditure was 280,21 million yuan. At the end of 1958, the balance showed a surplus of 34.42 million yuan. Among the expenditures, investment for capital construction represented 72.44 percent.

While production underwent development, the people's material and cultural standards were correspondingly improved. A total of 720,000 persons were employed in the city in 1958, showing an increase of 80,000 persons over 1957. Unemployment, a heritage from the old society, was eliminated.

Culture, education, health and physical education underwent rapid development. Total school enrollment reached 390,000 in 1958, showing an increase of 13 percent over that of 1957. Ninety-six percent of school-age children were in school. Four institutions of higher learning and 14 secondary schools (each specializing in a trade) were established in the year. Great achievements were also made in mass cultural programs, athletic activities and patriotic health movements.

The great leap forward in production led to improvement in the people's ideology, especially during the all

people steel-making movement. The broad masses of workers and people went through a profound socialist education, resulting in the heightening of their ideological awakening and their enthusiasm in labor. Everyone showed concern about socialist construction and considered participation in physical labor an honor.

The 1958 great leap forward also gave us many extremely useful experiences and lessons. These taught us that, in order to speed up socialist construction, we must insist on letting politics assume a commanding position, discard superstition, liberate our thinking, combine our sky-rocketing efforts with a scientific analytical spirit, combine unified leadership with mass movement, grasp the point of emphasis and set the whole machinery in motion, use steel-making as the central task in our full-scale leap forward, implement the policy of walking with two legs, and observe the objective rule of planned proportionate development of our national economy.

The great leap forward movement of 1958 not only caused a profound change in the economy of our municipality, but also showed the direction, furnished the experience and created a favorable condition for future leaps forward.

Although great achievements were made in 1958, inexperience on the part of our leaders in this unprecedented leap forward movement gave rise to many shortcomings. One shortcoming was that we spent too much of our effort developing heavy industry at too high a speed. Some products were put into mass production even without being put through the necessary procedure of trial manufacture. This resulted in poor quality and waste.

Some enterprises cared only about producing expensive products. They were unwilling to produce goods of smaller monetary value.

We must look squarely at these problems. Just as elsewhere in China, Canton has now adopted a series of measures to increase production and, practice strict economy. We are confident that through everybody's efforts, these

shortcomings can be removed. Full consideration was given these shortcomings while the municipality's 1959 economic plan was under preparation.

II.

During the course of drawing up Canton's (draft) economic plan for 1959, we arranged production projects in accordance with the preliminary plan and, at the same time, earnestly summarized experiences and lessons gained in 1958 and readjusted and discussed production targets over and over again.

The present draft plan I submit to you is based on the following:

1. the great leap forward of 1958;
2. the instructions and missions sent by the central and provincial governments to the municipal government;
3. an analysis of the actual condition of economic development in our municipality in the first half of 1959 and
4. an analysis of the trend of economic development in Canton during the second half of 1959.

In preparing this draft plan, we stressed the principle of planned proportional development. We have not only given consideration to the material and technical conditions for productive construction, but also accurately estimated the people's revolutionary power and objective dynamism.

We have tried not only to guarantee high-speed development of national economy, but also to maintain coordinated and proportional development between heavy and light industries and between different branches of economy. Through repeated adjustments and balancing, production targets and measures set forth in the budget have become more reliable.

Now the year 1959 is already half gone. Judging by the economic development of the first half of 1959, it appears we are still leaping forward on the basis of the achievements of 1958's leap forward.

In industry, the total value of industrial products in the first half of 1959 reached 1.24 billion yuan, an increase of 74 percent over that of the same period in 1958, and exceeding the total value of industrial output for all of 1957.

Major industrial products showed increases at different rates compared with 1957. Steel output in the first half of 1959 reached 10,000 tons; iron, 21,000 tons; and rolled steel, 6,823 tons.

In agriculture, vegetable acreage was increased from 1958's 90,000 mou to 200,000 mou.

In capital construction, investments totaled 130.2 million yuan (including the budget appropriation of 94.5 million yuan), an increase of 73.58 percent over the same period of 1958.

In transportation and communications, municipal land transportation volume totaled 3,042,000 tons; more than 5.9 million tons of goods passed through the Canton Harbor; revenues from postal and telegraphic services totaled 5.8 million yuan. All showed increases over the corresponding items in the first half of 1958.

In commerce, commodity retail sales totaled 400 million yuan, an increase of 21 percent over that of the same period in 1958.

In labor productivity, each worker was estimated to produce during the first half of 1959 an average of 3,802 yuan worth of goods, an increase of 13 percent over that of the same period in 1958. In production cost, the unit cost was 1.12 percent lower than the same period of 1958.

The above illustrates the considerable progress achieved in economic development in the first half of 1959. Problems still exist, however, there is confusion in the order of production in some enterprises.

In some instances, agricultural crops have been washed away by floods. Effective measures are being mapped out to overcome these problems.

How will economic development fare in the second half of 1959? We believe that the situation will be one of a continued leap forward. The central and provincial governments' continued close attention to economic construction and the people's economic life in Canton is our best guarantee for a continued leap forward. Other favorable factors are as follows:

(1) The fall harvest of grain and industrial crops will increase the supply of raw materials. Further implementation of the commune management system, and a series of measures promulgated by the central government concerning agricultural production, will result in a great increase in crops and agricultural by-products.

(2) As soon as material distribution is executed in a systematic way, production missions will be better coordinated with raw material supply. The convening of material exchange conferences at various levels will also bring about better coordination between different geographical areas and between urban and rural areas.

(3) Movements for increased production and economy are underway everywhere in China and the curtailment of non-productive expenditures will definitely have a good effect upon the development of production and commodity distribution.

(4) The effort on the part of all factories in Canton to adjust the order of production will have a good effect upon product quality, labor productivity, and the cost of production.

In view of the favorable factors described above, Canton's major missions on economic development in 1959 can be enumerated as follows: continued implementation of the Party's general line of "furthering full strength striving upstream and building socialism with more, faster, better and more economic results" and the Party's policy of "walking with two legs"; guaranteed fulfillment of all central and provincial governments' economic

missions to Canton; continued full-scale leaps forward with steel making as the central task; the building of such basic industries as steel-making, machine-building, the chemical and construction material industries; increased light industrial production and supplementary foods; development of communications, urban construction, culture, education and public health in order to maintain proportional development between different branches of the economy.

By guaranteeing uninterrupted development of production, we shall gradually raise the people's material and cultural standards and lay a good foundation for building Canton into the industrial base in South China.

To carry out this mission, the major objectives set forth in Canton's 1959 economic plan are as follows:

In respect to industrial production, the primary goals are to fulfill the production missions designated by the central and the provincial governments, to increase the production of capital producing goods and mechanical equipment, to exploit the hidden potential and make the best use of capital producing goods, to increase light industrial output, and to develop handicraft industries to meet the people's varied demands resulting from their improved standard of living. We must guarantee product quality lower production costs, strengthen equipment maintenance and emphasize economy and safety.

The total value of Canton's industrial output in 1959 is estimated at 2.55 billion yuan, an increase of 25 percent over that of 1958. The rates of increase of capital goods and consumer goods are 30.8 percent and 20.6 percent respectively.

Capital goods will be increased from 1958's 43 percent to 45 percent of the total industrial output. Consumer goods will drop from 1958's 57 percent to 35 percent of the total industrial output. The cost of production of comparable goods produced by municipal factories will be five percent lower than that in 1958.

The production goals for industrial materials are as follows: ungraded coal -- 250,000 tons; cement --

360,000 tons; sulfuric acid -- 8,000 tons; caustic soda -- 2,200 tons; and cotton yarn -- 47,000 bales.

Production goals for the machine-building industry are set essentially in accordance with preliminary missions designated by the Provincial Government and in accordance with the requirements of maintenance and repair. We expect to produce 11,075 tons of heavy machinery, a certain number of motors with a total capacity of 43,000 horse powers, a certain number of alternating current generators with a total capacity of 140,000 kilowatts, and a certain number of transformers with a total capacity of 240,000 kilowatts. In addition to electro-mechanical equipment, we shall produce a considerable amount of auto accessories, ball bearings, parts and tools. All machinery must meet specifications and technical standards.

In light industrial output, we expect to produce 79.8 million meters of cotton cloth, 8.4 million to 10.7 million pairs of rubber shoes, 5,000 bicycles, 100,000 sewing machines, 83,000 tons of machine-made paper and 26,000 tons of sugar. In addition to important items above, we shall also exert great efforts toward expanding production of smaller commodities by making full use of capital-producing material and their substitutes. Suspended small commodity production shall be revived.

In respect to agriculture, the total value of crops and agricultural by-products is expected to reach 75.3 million yuan in 1959, an increase of 20 percent over that of 1958. In setting up agricultural production targets, we aim at developing all kinds of crops with special emphasis on vegetable production to meet industrial needs and the needs of urban residents.

Under our plan, vegetable acreage will expand from 1958's 90,000 mou to 200,000 mou. Total vegetable yield in 1959 is expected to reach 14 million tons. This will be sufficient to meet the needs of Canton's population. We will also do our best to increase the variety of vegetables to ensure an even supply of vegetables on the market.

In preparing the agricultural plan, consideration has been given to the effect of floods. We must take positive measures to make up losses caused by floods. We must

harvest crops in time, seed drained farmland as soon as possible, and restore production. In respect to vegetable crops especially, we must strive to reap a bumper harvest.

With regard to capital construction, the 1959 plan was arranged according to the axiom "shorten the war front, concentrate strength, and stress points of emphasis." Total investment for Canton's capital construction in 1959 is expected to reach 200 million yuan, of which 168.86 million yuan will be used for municipal capital construction projects.

The major points in capital construction investments are communications and transportation. The above-norm industrial capital construction projects include the Canton Steel Mill, the Canton Heavy Machinery Works, the Canton Ammonia Plant, the Canton Chemical Works, the Canton Cotton Spinning Mill No 2, the Canton Ramie Factory and the Pearl River Paper Mill. In the field of transportation, the construction of the Chu Harbor will get underway in 1959.

These projects, which play significant role in increasing Canton's production capabilities and technical standards, and in solving the problems of material supply and of meeting the people's increasing needs, must be completed according to plan. It is, necessary, therefore, to implement a unified plan and to control other capital construction projects not within the plan. This will avoid diverting material and will concentrate our efforts on ensuring fulfillment of the planned projects.

In respect to communications and urban construction, in addition to purchasing more transportation equipment and completing the Chu Harbor projects, the essential task is to exploit hidden potentiality and meet the needs of production construction. Total freight to be handled by Canton Harbor in 1959 is estimated at 12.58 million tons, about the same as in 1958.

The total volume of freight transportation on land within the pale of the municipality is estimated at 8.5 million tons, an increase of 13.64 percent over that of 1958. In the year, the transportation departments expect to handle a total of 6.5 million tons of freight in 1959, an increase of 25.48 percent over 1958. Bus transporta-

tion volume is estimated at 195 million passenger-trips, an increase of 38.65 percent.

The essential projects in urban construction include road-building in the industrial districts of Fang-ts'un and Chi-shan, as well as water supply equipment installation and sewer repair in Honan and Fang-ts'un. Arrangements have also made for park projects, verdancy, improvement of the appearance of the municipality, and construction of residential houses.

In respect to commerce, the situation of commodity supply on the market will be gradually improved. Due to increases with people's income and their purchasing power, total value of retail sales in the municipality will reach 830 million yuan, an increase of eight percent over 1958.

In respect to culture, education and health, the municipal institutions of higher learning will admit an estimated 1,200 new students; ordinary middle schools will admit 29,760 new students; specialized middle schools and normal schools will admit 3,200 new students and primary schools will admit 63,000 new students. Under this arrangement, all school-age children can enter primary schools, while graduates from primary schools and junior middle schools can continue their education.

Great effort should be exerted toward developing spare-time education, consolidating the achievements of the anti-illiteracy drive, raising cultural standards of the workers, and strengthening scientific research. In 1959, we shall build two movie houses, three theaters, three hospitals (with 120 beds) and a swimming pool.

In respect to labor, to increase productivity, efforts will be devoted to economizing and distributing the labor force in a rational way. This should guarantee the fulfillment of our production missions. Therefore, we must strengthen the management of our labor plans and make whatever readjustments are necessary in labor force. This action will raise labor productivity, improve agricultural production, and result in various types of social labor.

III

To guarantee realization of great leap forward for China's national economy in 1959, based on achievements of the 1958 great leap forward, all in the municipality should take action, respond enthusiastically to the call of the First Session of the Second National People's Congress, and arouse with fanfare a tide of increasing production and economy.

Increasing production and practicing economy are fundamentals in building socialism. They are also effective in increasing production, improving the quality of output, lowering costs, raising labor productivity, and developing productive construction. This truth is quite obvious, but not quite so to all of our comrades. For instance, some comrades grumble: "Increase production and practice economy? It's the same every year!! The same old stuff!" This line of thinking is wrong.

Socialist construction cannot be accomplished overnight. It cannot be accomplished unless all embark on a long-term struggle. The experience of the Soviet people in building socialism is a good example for us. Although only a short time has elapsed since we started our socialist construction, we have already found through actual practice that a constant increase of production and a strict practice of economy are shortcuts to socialist construction. How can we say "increase production and practice economy is the same old stuff?"

Other comrades say: "We have already reached the top. There is no hidden potentiality to exploit. Because there is an inadequate supply of raw material, nothing can be done." This is also not in conformity with reality. Countless incidents can be cited to show that much remains to be done toward increasing production, practicing economy and digging the hidden potentiality of many enterprises. For example, in the first quarter of 1959, the material wasted in mechanical processing ranged from 3.8 percent to 23.46 percent.

In producing 1,000 dozen large-size batteries, zinc consumption ranged from 172.62 kilograms to 197.8 kilograms. This shows that if the worker masses can earnestly use

their brains and seek shortcuts, quality can be improved, waste decreased, and the consumption of raw material reduced substantially.

Meanwhile, if we can only make the best use of available raw material, production increase is entirely possible. Many comrades are only interested in the value of their products. They neglect quality, cost and safety. They are unwilling to produce smaller commodities to give consideration to the needs of the market. This kind of thinking or practice is one-sided and needs to be corrected.

It is also wrong for comrades to interpret the movement for increased production and economy as a measure to prolong working hours and compel people to work overtime. What we should do in this movement is seek ways and means to revolutionaryize technology, improve working methods, improve working styles and fulfill our mission with high efficiency.

We should embark on a large-scale and intensive propaganda campaign to explain to the people the great significance of increasing production and practicing economy. We must make clear that to "build the nation with diligence and thrift" and to "run enterprises, communes, and homes with diligence and thrift" are long-range principles for socialist construction as well as effective measures for eliminating China's "poor and barren" appearance.

It is necessary, therefore, to mobilize fully the masses for immediate action. All economic units and industrial enterprises must make the best use of existing equipment, and save as much raw material, capital funds and labor as possible to increase production for the State. All administrative and management departments must cut down expenditures, work diligently, thrifitily and calculatingly, and oppose extravagance and the working style of a prodigal son. This will enable our manpower, material and financial resources to perform their proper functions in socialist construction.

In industry, we should further the movement for increased production and economy, with emphasis on technological reform and revolution to guarantee a success-

ful fulfillment of the 1959 economic plan. At present, the central task of all industrial, transportation and capital construction units in the municipality is to readjust the order of production. Such a mission is perfectly in accord with the movement of increasing production and practicing economy.

We should increase production, improve quality, lower costs, raise labor productivity, and guarantee industrial safety through readjustment of the order of production, strengthening planned management, strengthening technical management, strengthening capital management, strengthening accounting and auditing, improvement of labor organizations, improvement of safety and sanitation measures and establishment and consolidation of the production responsibility system and the product inspection system.

In readjusting the order of production in enterprises, great efforts should be exerted toward mobilizing the workers masses, initiating "bloom and contend debates" on a grand scale, keeping the workers informed of policies, liberating ourselves from ideological misgivings, and revealing crucial problems in various enterprises.

There are many enterprises interested only in pursuing product value without regard to product quality. This results in shoddy goods tantamount to waste. Other enterprises neglect safety measures, resulting in mishaps and even the deaths of workers.

Still others are constantly losing money because they produce excessive amounts of goods without calculating costs. All these problems call for reasoning, analysis, suggestions and solutions. At this moment, we must concentrate our efforts toward raising product quality and improving safety measures.

To enable the movement for increased production and economy to proceed smoothly, production targets and economic plans are made more realistic and accurate. Thus, it is no longer necessary to add percentages to original targets. Instead, instructions are passed from one echelon to another.

As long as there are material shortages, enterprises engaged in actual production should be given priority

over capital construction units in material distribution. In arranging repairing and maintenance work and production, priority should be given to repairing and maintenance in material distribution.

When there is a conflict between building original equipment and making mechanical parts priority in material distribution should be given to the latter. At the same time, market needs should be taken into consideration. Utmost efforts must be made to revive and develop the handicraft industry, and proper arrangements must be made to provide enough raw material for such industry.

To ensure that industry develops according to a planned proportion, we must earnestly implement the idea that "the whole nation is a chessboard" and carry out thoroughly the "four unifications;" namely, "unification of plans," "unification of management for capital construction projects," "unification of arrangements for production" and "unification of material distribution."

In capital construction, we must forge ahead in accordance with the procedure of capital construction. In other words, we must stop those capital construction projects not planned for, and guarantee the successful fulfillment of all capital construction projects within our plan.

In the field of capital construction, the movement for increased production and economy demands faster, better and more economical results in both design and actual construction. The design of capital construction projects must be suitable to the requirements of the geographical locality where the project will be constructed. Designs must not only be economical but also good in quality. The actual construction must conform strictly to the design.

Technical management must be strengthened; inspection systems must be perfected; efficiency must be improved; quality of engineering must be guaranteed; and costs must be lowered. In short, in all capital construction work, earnest attention must be paid to quality. The greatest economy in capital construction is to achieve better results with same amount of manpower, material and time.

In transportation and communications, we must concentrate our efforts on coordination in order to do a good job on rationalized transportation. Vehicles, boats, harbors and freight must be well-organized to reduce loading and unloading time, reduce time spent at stations and wharves, reduce unnecessary handling organizations, improve routing, avoid or reduce transportation of identical goods in opposite directions, raise the turnover rate of transportation equipment, increase transportation volume and eliminate freight accumulation in warehouses. Improving boat and vehicle maintenance and lowering fuel consumption are also important goals of the movement for increased production and economy in the field of transportation.

In respect to agriculture in suburban areas, more varieties of crops should be developed, although vegetable production is of primary importance. We must carry out thoroughly the principle suggested by the Central Government: "It is of primary importance to rejuvenate ourselves by our own efforts. Striving for outside assistance is of secondary importance.

We must mobilize all of China to work collectively and individually, to make the best possible use of favorable conditions, to seek new sources of fodder and fertilizers, and to exhaust all ways and means to increase supplementary food.

All people's communes in the Canton suburbs must immediately launch a production movement with summer harvesting, summer seeding, re-seeding and fertilization as central tasks. We must rationally arrange labor forces, plant vegetables ahead of time, do a good job on farm management and rapidly develop vegetable production.

All communes must resolutely implement the Central Government's instructions permitting individual commune members to use certain reserved land for raising hogs, chickens, geese and ducks. The leadership of state farms should be strengthened in the development of animal husbandry.

All organizations and enterprises should be called upon to make full use of empty lots. All ponds, water reservoirs and artificial lakes should be used to raise

fish. Government organizations and enterprises located in suburban areas should raise hogs and poultry so that they may gradually become self-sufficient in food supply. A special agency should be established to provide leadership for accelerating the increase of supplementary food.

In commerce, we must earnestly implement the policy of putting commerce at the service of industrial and agricultural production. At present, a good job must be done in organizing the sources and distribution of supplementary food, daily necessities and industrial raw materials. Meanwhile, more supply centers should be established with a view to adjusting and expanding retail networks.

As for such service trades as repairing and waste material collection, repairers and collection, repairers and collectors should call from door to door for the convenience of the residents. They must also raise the quality of their service.

All commercial departments must make special efforts to improve management, purchasing, distribution, transportation and storing. They must reduce the number of agencies handling commodity circulation, reduce transportation expenses, strengthen their protection efforts while commodities are in storage or in transit, and reduce damage and spoilage in order to lower expenses for commodity circulation and thus accumulate capital for China.

The strengthening of capital management and planning, and the organization of inventory to give a clear account of capital in each enterprise are, at present, important tasks in the movement for increased production and economy.

At the moment, capital management is rather chaotic. Many units are violating established rules and are wasteful in the use of capital. Because of this, many enterprises have been asked to clear up their accounts in the shortest possible time, to take inventory of their finished products, semi-finished products and raw materials, and to perfect their capital management systems.

In order to save administrative and management expenditures, all municipal organizations, government agencies, schools, armed units and enterprises should carry out strictly instructions from higher-level organizations. They must eliminate unnecessary expenses, reduce publications, cut down documents, forms and tables, reduce unnecessary meetings, improve working methods and raise working efficiency.

In carrying out the movement for increased production and economy, we must promote savings by all residents of the municipality. Great effort should be exerted to give wide publicity to the good virtues of austerity, thrift, a spirit of hard work and simplicity in living, "building the country with diligence and thrift," and "running the family with diligence and thrift."

All residents of Canton should respond to the call of the government and deposit their idle money in banks to help national construction. Savings must be made a habit entirely voluntary on the part of the people. Banks, for their part, must provide all conveniences for deposit and withdrawal.

For intensifying the movement for increased production and economy in all fields, Canton's municipal departments and units must all let politics assume a commanding position in their work. They must launch the movement on a grand scale, continue to gather full strength, initiate socialist emulation contests, summarize and promote, at appropriate times, advanced experiences gained by the masses, set up advanced standards for all to follow, and make the movement for increased production and economy motivating force for progress.

Meanwhile, we should strengthen political and ideological education, show concern about people's living, heighten our vigilance, stop sabotage and prevent rumors from gaining circulation.

Delegates! We must consolidate our experiences, especially those involved with construction work. We must also strengthen our learning, raise our ideological understanding, improve our work and eliminate shortcomings.

Delegates! Under the leadership of the Communist Party and Chairman Mao, with one heart and one purpose, let us rely upon the working classes and the masses, and strive for the fulfillment of, even an over-fulfillment of the 1959 economic plan.

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